Municipal Potash Tax Sharing Administration Board

Financial Statements

For the Year Ended December 31, 2007

Provincial Auditor Saskatchewan

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AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2007 and the statement of operations and net financial assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
March 3, 2008

Fred Wendel, CMA, CA
Provincial Auditor

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31

	2007	2006
Financial Assets		
Cash	$11,056	$10,431
Total Financial Assets	$11,056	$10,431
Net Financial Assets (Statement 2)	$11,056	$10,431

(See accompanying notes to the financial statements)

Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Assets
For Year Ended December 31

			2007	2006
Revenues:				
Municipal taxes received from rural municipalities (Note 5)			$ 7,375,019	$6,841,998
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$ 4,051,088	$ 450,121	4,501,209	4,320,321
Esterhazy	2,047,381	227,486	2,274,867	2,005,054
Pense	524,446	58,272	582,718	506,361
	$ 6,622,915	$ 735,879	7,358,794	6,831,736
Revenue held for general administration (Note 4)			16,225	10,262
Expenses:				
Office facilities - Saskatchewan Association of Rural Municipalities			10,000	6,000
Secretary - Treasurer's Honorarium and Per Diem			4,450	4,450
Board Members' Per Diem			950	725
Insurance			200	200
Bank Charges			-	175
			15,600	11,550
Surplus (Deficit) for the year			625	(1,288)
Net financial assets, beginning of year			10,431	11,719
Net financial assets, end of year - to Statement 1			$ 11,056	$ 10,431

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

These financial statements have been prepared using generally accepted accounting principles as recommended by the Public Service Accounting Board of the Canadian Institute of Chartered Accountants. The following accounting policies are considered significant.

a) Revenue

The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions

Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.22% (2006 - 0.15%) of taxes received totalling $16,225 (2006 - $10,262).

5. Municipal Taxes From Rural Municipalities

Municipality	RM#	Budget 2007	Actual 2007	Actual 2006
Rocanville	151	$ 828,120	$ 828,120	$ 849,825
Spy Hill	152	890,145	890,143	645,664
Pense	160	577,855	584,003	507,122
Langenburg	181	561,619	561,619	512,576
Usborne	310	1,265,787	1,265,787	1,286,139
Colonsay	342	691,554	691,554	690,378
Blucher	343	820,882	796,613	752,842
Corman Park	344	677,342	677,342	665,785
Vanscoy	345	1,092,086	1,079,838	931,667
		$ 7,405,390	$ 7,375,019	$ 6,841,998

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Board.

7. Distribution of Funds

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to the rural municipalities and 10% being paid to the urban municipalities.

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

		Budget 2007	Actual 2007	Actual 2006
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	$ 692	$ 686	$ 636
280	Wreford	35,675	35,362	30,804
281	Wood Creek	3,844	3,811	3,575
283	Rosedale	1,933	1,916	1,706
309	Prairie Rose	78,698	78,008	79,250
310	Usborne	497,979	493,612	365,367
312	Morris	231,972	229,938	233,601
313	Lost River	160,928	159,517	162,093
314	Dundurn	128,472	127,346	129,375
315	Montrose	132,017	130,859	123,965
316	Harris	29,727	29,466	31,268
339	Leroy	51,335	50,885	51,696
340	Wolverine	315,610	312,842	303,610
341	Viscount	280,695	278,234	257,113
342	Colonsay	309,877	307,160	312,059
343	Blucher	366,878	363,836	367,073
344	Corman Park	507,216	502,769	497,837
345	Vanscoy	569,987	564,989	573,279
346	Perdue	130,070	128,929	130,983
371	Bayne	31,187	30,913	31,406
372	Grant	49,412	48,979	46,933
373	Aberdeen	149,636	148,323	133,554
376	Eagle Creek	22,909	22,708	21,106
		4,086,749	4,051,088	3,888,289
Urban Municipalities				
Town of Aberdeen		9,923	9,869	8,470
Town of Allan		47,525	47,267	43,078
Town of Asquith		10,846	10,787	9,104
Village of Bradwell		13,708	13,633	9,897
Village of Clavet		25,984	25,843	22,649
Town of Colonsay		32,010	31,836	27,027
Town of Dalmeny		24,101	23,970	20,698
Town of Delisle		67,634	67,267	56,084
Village of Drake		4,368	4,345	3,933
Village of Elstow		6,854	6,817	6,154
RM of Usborne No.310		8,134	6,592	6,852
Village of Kinley		659	655	634
Town of Langham		19,959	19,851	17,019

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2007	Actual 2007	Actual 2006
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	84,128	83,672	72,611
Town of Martensville	603	599	20,016
Village of Meacham	1,318	1,311	1,427
Village of Perdue	6,929	6,892	5,900
Village of Plunkett	1,412	1,405	1,190
Village of Vanscoy	25,532	25,394	21,888
Village of Viscount	18,904	18,802	17,257
Town of Vonda	6,063	6,030	5,107
Town of Warman	4,444	4,420	25,076
Town of Watrous	25,834	25,693	22,681
Village of Young	4,952	4,925	4,742
Village of Zelma	2,259	2,246	2,538
	454,083	450,121	432,032
Area Total	4,540,832	4,501,209	4,320,321
Esterhazy Area			
Rural Municipalities			
121 Moosomin	60,814	60,772	52,549
122 Martin	18,797	18,784	16,391
151 Rocanville	404,885	404,600	324,204
152 Spy Hill	589,960	589,546	481,928
153 Willowdale	39,224	39,197	37,688
181 Langenburg	432,271	431,967	414,732
183 Fertile Belt	317,702	317,479	305,891
211 Churchbridge	109,859	109,782	105,431
213 Saltcoats	75,306	75,254	65,735
	2,048,818	2,047,381	1,804,549
Urban Municipalities			
Village of Atwater	401	401	387
Village of Bangor	803	802	619
Town of Bredenbury	5,282	5,278	4,561
Town of Churchbridge	11,303	11,295	10,257
Town of Esterhazy	91,065	91,001	86,279
Village of Gerald	7,963	7,958	8,195
Town of Langenburg	16,441	16,429	13,581
Town of Rocanville	55,808	55,769	45,716

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2007	Actual 2007	Actual 2006
Esterhazy Area			
Urban Municipalities			
Village of Spy Hill	12,908	12,899	10,978
Village of Stockholm	5,186	5,182	3,904
Village of Tantallon	6,743	6,738	5,669
Village of Welwyn	9,119	9,113	5,566
Village of Yarbo	4,624	4,621	4,793
	227,646	227,486	200,505
Area Total	2,276,464	2,274,867	2,005,054
Pense Area			
Rural Municipalities			
129 Bratt's Lake	3,999	4,039	3,563
130 Redburn	72,241	72,958	48,323
131 Baildon	28,688	28,973	27,243
159 Sherwood	40,742	41,146	38,149
160 Pense	226,013	228,258	202,975
161 Moose Jaw	99,897	100,889	94,606
189 Lumsden	13,752	13,888	11,995
190 Dufferin	24,729	24,974	19,877
191 Marquis	9,229	9,321	8,994
	519,290	524,446	455,725
Urban Municipalities			
Village of Belle Plaine	4,086	4,127	3,781
Village of Bethune	5,890	5,948	5,131
Village of Briercrest	1,867	1,886	1,526
Village of Disley	990	999	837
Village of Drinkwater	4,150	4,191	4,321
Village of Grand Coulee	6,943	7,012	4,942
Village of Pense	32,369	32,690	28,788
Village of Tuxford	1,405	1,419	1,310
	57,700	58,272	50,636
Area Total	576,990	582,718	506,361
Total tax sharing - to Statement 2	$ 7,394,286	$ 7,358,794	$ 6,831,736